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Defense Witness Denies Doing CIA Jobs for Rewald

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Capt. Edwin "Ned" Avary had jurors and spectators alike chuckling throughout his testimony yesterday in the Ronald Rewald trial as he sparred with a defense attorney, made cracks to the judge and gave the jury the "shaka" sign from the witness box.

The 74-year-old former Air Force jet pilot, retired airline pilot and Rewald consultant was called to the stand as a defense witness. But Avary's offhand remarks, rambling statements and challenges may prove to be more trouble for the defense than it was worth.

The defense hoped to show the jury that Avary had a history of working for the CIA and that he had helped Rewald set up a multi-million dollar military arms deal to Taiwan.

While Avary admitted that he had done some "volunteer" work for the CIA from 1973 to 1977, he denied that he ever "knowingly" did any CIA work for Rewald or for Bishop, Baldwin, Rewald, Dillingham & Wong.

HE CALLED the Taiwan operation "a phony arms deal" put together by Rewald and "that pipsqueak" Russell Kim, another Rewald consultant.

Rewald claims, through his attorneys, that at the time of its collapse in 1983, his company was in the midst of a CIA-sponsored arms deal that would have raised some \$10 million for investors.

Avary went to Paris and met with an arms dealer and sent telex messages to Rewald requesting exact needs. He said he suspected the deal was fake but went anyway because his "boss," meaning Rewald, had told him to.

He said he was told by the arms dealer in Paris, whom he described in one telex as "an awesome, yet affable Lebanese gorilla," that Taiwan would have dealt directly if it actually wanted to buy arms.

After Avary took the stand, he asked U.S. Judge Harold Fong if he could make a "sincere and unbiased" comment before the questioning began. Fong denied the request but Avary managed to say what he wanted during one of the first questions by Deputy Federal Public Defender Brian Tamanaha.

"God has always been my co-pilot," the white-haired Avary said, causing jurors to smile.

THEN, WHILE attorneys were huddled at the bench, talking to the judge, Avary apparently carried on a conversation with nearby jurors, smiling and joking with them. At one point, he flashed a "shaka" sign at them.

Tamanaha asked Avary if he had ever been cleared by the CIA and handed Avary a form apparently submitted to the CIA on Avary's behalf by Rewald.

"I have never seen it before in my life and I am speaking under oath," Avary bellowed. Then holding the document with two fingers at arms length he told Tamanaha, "You can have it."

When Fong ruled a defense question "irrelevant," Avary confirmed the judge's ruling with the remark: "That's absolutely correct."

And when he was asked about a conversation between him and Rewald, Avary recounted the conversation and then leaned toward Rewald and said, "You remember that, Ron?"

Avary said he had done volunteer work for the CIA in the South Pacific, providing information on French nuclear tests. His involvement with the agency had been disclosed in CIA documents introduced into evidence earlier in the trial.

BUT AVARY said he never did any CIA work after 1977 and none, to his knowledge, for Rewald.

He conceded he traveled often for Rewald, setting up Bishop, Baldwin offices around the world. He also said he went to West Germany with a list of questions to monitor government elections. But he denied it was a CIA operation.

Avary also denied that the Taiwan arms deal was legitimate and that he volunteered to see it through after the collapse. Rewald's attorneys were unable to put on evidence that Avary had told attorneys Brook Hart and Peter Wolff, after the Bishop, Baldwin collapse, that he would go to Taiwan and try to complete the deal.

Wolff said outside the courtroom he only remembered Avary offering to try to go to some foreign country and see if he could complete a deal that would have made a communion.

Also yesterday, Milwaukee restaurant owner David Baldwin testified that he joined Rewald's company as part of a plan to open a restaurant in Hawaii. The Hawaii restaurant would have been like Baldwin's Milwaukee "Safehouse" restaurant, with a spy motif and a number of gimmicks. The project, however, never was completed.